



DEPARTMENT OF COMMERCE

Patent and Trademark Office

[Docket No. PTO-T-2021-0055]

Trademarks Administrative Sanctions Process

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Notice.

SUMMARY: As part of the United States Patent and Trademark Office's (USPTO or Office) continuing efforts to protect the integrity of the U.S. trademark register, the Commissioner for Trademarks (Commissioner) has established an administrative process for investigating submissions filed with the USPTO in trademark matters that appear to violate the Trademark Rules of Practice, including the rules concerning signatures, certificates, and representation of others in trademark matters before the USPTO (collectively, the USPTO rules), and/or the USPTO website's Terms of Use; and imposing sanctions, as appropriate.

DATES: Comments must be received by [INSERT DATE 15 DAYS FROM THE DATE OF PUBLICATION IN THE FEDERAL REGISTER] to ensure consideration.

ADDRESSES: Comments regarding this notice should be sent to TMFRNotices@uspto.gov with the subject line "Trademarks Administrative Sanctions Process." If a submission by email is not feasible (e.g., due to a lack of access to a computer and/or the internet), please contact the USPTO for special instructions using the contact information provided in the "For Further Information Contact" section of this notice.

FOR FURTHER INFORMATION CONTACT: Robert Lavache, Office of the Deputy Commissioner for Trademark Examination Policy, at 571-272-5881 or TMFRNotices@uspto.gov.

SUPPLEMENTARY INFORMATION:

As part of the USPTO's continuing efforts to protect the integrity of the U.S. trademark register, the Commissioner has established an administrative process to investigate improper submissions filed with the USPTO in trademark matters. The USPTO Director has the authority to investigate submissions that appear to violate the USPTO rules and/or the USPTO website's Terms of Use and impose sanctions or actions as deemed appropriate. *See* 37 CFR 11.18. Sanctions may include terminating proceedings. *See* 37 CFR 11.18(c)(5). Pursuant to 35 U.S.C. 3(a)-(b), the Director has explicitly delegated to the Commissioner for Trademarks the authority to impose such sanctions or actions permitted under 37 CFR 11.18(c), as deemed appropriate in trademark matters, and to otherwise exercise the Director's authority in trademark-related matters. The Director has also provided that such authority may be further delegated by the Commissioner. *See generally* Delegation of Authority to Issue Sanctions in Trademark Proceedings (January 14, 2020)¹ and Trademark Manual of Examining Procedure § 1701.

To promote transparency regarding the sanctions process for applicants or registrants who may be impacted by sanctions, as well as third parties who may be concerned about a particular application or registration, the USPTO will place documents associated with the process, including administrative orders to show cause and orders for sanctions regarding particular applications or registrations, in the electronic file record, which can be viewed by the public in the USPTO Trademark Status and Document Retrieval (TSDR) database. Further, examination may be suspended while the application is subject to a pending administrative investigation or order, and, if so, the TSDR record will reflect that as well.

I. Reporting and Investigation of Suspicious Filings

The administrative process begins when the USPTO identifies or otherwise learns of a suspicious submission in connection with a trademark application or registration, based on information communicated by internal sources, such as examining attorneys and data analytics

¹A copy of the January 14, 2020 delegation of authority is available upon request. Please contact the USPTO using the contact information provided in the "For Further Information Contact" section of this notice.

personnel, or through external sources, such as Letters of Protest, the TMScams@uspto.gov mailbox, law enforcement, or media reports.

The USPTO will investigate suspicious submissions, and any related submissions, to determine whether they: (1) appear to violate the USPTO rules and/or the USPTO website's Terms of Use, and (2) are part of an improper filing scheme. These determinations are made using filing data from the suspicious submissions and any related submissions, as well as any other information and evidence available to the USPTO.

Once the USPTO initiates an investigation, the relevant application(s) may be removed from examination status to ensure that it does not move forward to approval for publication or registration while the administrative process is ongoing. In such cases, the USPTO will update the prosecution history to indicate that the application is suspended pending administrative review. In addition, a suspension letter will issue to all correspondence email addresses in the electronic record, as appropriate. When an application is suspended on this basis, any associated deadlines are also suspended, and the applicant will not be able to make any electronic submissions other than: (1) an express abandonment, (2) a withdrawal of attorney, or (3) a petition to the Director under Rule 2.146. 37 CFR 2.146. Thus, an applicant would be able to request permission to make a further submission by filing a petition to the Director under Rule 2.146. If an investigation ends without the issuance of an administrative order, the suspension will be lifted, and the application will then be assigned to an examining attorney for examination in the normal course or, if examination had begun prior to suspension, returned to the assigned examining attorney, who will issue a new Office action resetting any response deadline.

II. Show Cause Order

If, upon investigation, the USPTO identifies conduct that illustrates violations of the USPTO rules and/or the USPTO website's Terms of Use, particularly conduct that indicates an intent to circumvent the USPTO rules, the Office may issue an order to show cause why sanctions should not be imposed on individuals or entities involved, which may include the

applicants or registrants themselves, or third parties involved in an improper filing scheme. A copy of the order to show cause will be placed in the electronic records of the affected applications or registrations.

The show cause order will inform the relevant parties of the conduct that indicates violations of the USPTO rules and/or the USPTO website's Terms of Use, identify the affected application(s) or registration(s), and specify the proposed action or sanction the USPTO deems appropriate, which may include terminating all involved applications, striking a submission, precluding a party from appearing before the USPTO in trademark matters, and/or deactivating all relevant uspto.gov accounts. The order will require the parties to respond by a certain date to explain why the USPTO should not impose the proposed sanctions. The USPTO will consider any timely response in determining whether to impose sanctions. Resubmitting documents or appointing a new attorney will not avoid the imposition of sanctions. Petitions such as those filed under 37 CFR 2.146 are not appropriate during the investigation or response period unless the USPTO made a mistake in including a specific application or registration in the show cause order. Furthermore, applicants and registrants are reminded that they are responsible for actions or omissions made by their representatives on their behalf. Moreover, any misrepresentation or deceit on the part of a representative does not necessarily constitute an "extraordinary circumstance" under 37 CFR 2.146 or 2.148.

III. Order for Sanctions

The USPTO will issue a final decision that includes an order for sanctions, if appropriate. The order will indicate what sanctions were deemed appropriate to address the improper conduct, and will identify the application(s) or registration(s) subject to the sanctions. For transparency of process, a copy of the decision will be included in the TSDR record of the relevant application(s) or registration(s).

For orders that include the sanction of termination and involve pending applications, the USPTO will terminate the involved applications and will update the USPTO's electronic records

to include an appropriate entry in the application prosecution history in TSDR to indicate that the application was terminated upon the entry of sanctions. Generally, applicants may not revive a terminated application unless the applicant can demonstrate that the USPTO erred in including the application in the order for sanctions. The applicant should file a new application to seek registration of the mark that was the subject of a terminated application.

For orders that include the sanction of termination and involve registrations that issued before the administrative sanctions process was initiated, the USPTO does not intend to terminate the registrations, but will update the USPTO's electronic records to include an appropriate entry in the prosecution history indicating that the registration was subject to an order for sanctions. Affected registrants should note that findings made in the sanctions order may affect the underlying validity of the registration. In addition, the USPTO will consider a sanctions order that includes the sanction of termination to be a final decision adverse to the owner's right to keep a mark on the register under section 15 of the Trademark Act of 1946, 15 U.S.C. 1065. Therefore, owners of such registrations may wish to file a new application for the mark.

The USPTO may take additional actions to enforce orders for sanctions in cases where a sanctioned actor continues to violate the USPTO rules and/or the USPTO website's Terms of Use.

Andrew Hirshfeld,
Commissioner for Patents, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.